

Message Text

CONFIDENTIAL

PAGE 01 PANAMA 00860 042306Z

61

ACTION ARA-10

INFO OCT-01 ISO-00 AGR-05 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

OMB-01 L-03 H-02 /050 W
----- 052575

P R 042220Z FEB 76

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC PRIORITY 6617

INFO AMEMBASSY SAN JOSE

C O N F I D E N T I A L PANAMA 0860

EO 11652: GDS

TAGS: EAGR, ETRD, PN

SUBJECT: CURRENT STATUS OF AUSTRALIAN BEEF

REF: A) PANAMA 6876; B) PANAMA 5833

SUMMARY: GOP AGREED TO PROPOSAL BY PANAMANIAN BUSINESSMEN TO IMPORT AUSTRALIAN MEAT FOR PROCESSING AND RE-EXPORT. SUBSEQUENTLY, CHARGES HAVE BEEN MADE BY PANAMANIAN CATTLE INDUSTRY THAT AUSTRALIAN MEAT IS HAVING ADVERSE EFFECT ON THEIR EXPORT MARKET. GOP ORGANIZED A MEETING AT WHICH CATTLEMEN'S GRIEVANCES WERE HEARD AND SAFEGUARDS WERE ESTABLISHED TO PROTECT THE PANAMANIAN CATTLEMEN. AGRICULTURE MINISTER PAREDES REPORTED EXTREMELY UNHAPPY WITH ENTIRE AFFAIR. END SUMMARY.

1. EMBASSY HAS DEVELOPED THE FOLLOWING SCENARIO FOR THE IMPORTATION OF SUBJECT BEEF INTO PANAMA (REF A) WITH INPUTS FROM RELIABLE CONTACTS. IN FALL OF '75 GUATEMALAN MEAT BROKER DR. SAN PEDRO APPROACHED ALBERTO "BETO" GONZALEZ, OWNER OF THE MEAT-PACKING FIRM KARNE, SA, ABOUT THE POSSIBILITY OF PANAMA'S PROCESSING FOR RE-EXPORT 5 MILLION POUNDS OF AUSTRALIAN BEEF. THIS MEAT WAS ORIGINALLY INTENDED FOR PROCESSING AND RE-EXPORT FROM GUATEMALA, BUT THE GOVERNMENT OF GUATEMALA REFUSED ENTRY UNDER PRESSURE FROM THE GUATEMALAN CATTLE INDUSTRY. GONZALEZ AND SAN PEDRO APPROACHED NEWLY-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PANAMA 00860 042306Z

APPOINTED MINISTER OF AGRICULTURE PAREDES WITH A PROPOSAL

TO IMPORT, DE-BONE, CUT-UP, AND RE-EXPORT THE AUSTRALIAN BEEF OUTSIDE OF PANAMA'S VRP QUOTA. SELLING POINT WAS THAT 150 JOBS WOULD BE CREATED FOR PANAMANIAN AND THERE WOULD BE NO ADVERSE CONSEQUENCES FOR THE PANAMANIAN CATTLE INDUSTRY. THE IMPORTATION WAS APPROVED BY THE GOP ON THIS BASIS.

2. THE SUBSEQUENT UNFOLDING OF EVENTS HAS REVEALED A SCRIPT SOMEWHAT DIFFERENT THAN THE ONE OUTLINED TO THE GOP. INDICATIONS ARE THAT 300,000 - 500,000 POUNDS OF THIS AUSTRALIAN BEEF WERE SHIPPED TO U.S. UNDER PANAMA'S 1975 QUOTA. ADDITIONALLY, CENTRAL AMERICAN BEEF CO. OF DAVID WAS UNABLE TO FULFILL A COMMITMENT TO PURCHASE 7,000 STEERS FROM THE NATIONAL CATTLEMEN'S ASSOCIATION (REF B) BECAUSE ITS FACILITIES WERE FULLY EMPLOYED IN PROCESSING AUSTRALIAN BEEF. CURRENT REPORTS INDICATE THAT THE MAJORITY OF THE AUSTRALIAN BEEF IS STILL IN PANAMA, AND THE PROCESSING BACKLOG IS RESULTING IN LOSSES FROM SPOILAGE.

3. THE GOP, IN RESPONSE TO COMPLAINTS BY THE PANAMANIAN CATTLEMEN, ORGANIZED A MEETING ON JANUARY 30 IN DAVID WITH OFFICIALS OF THE MARKETING INSTITUTE (MERCADAO), REPRESENTATIVES OF THE MEAT PACKING COMPANIES (CENTRAL AMERICAN BEEF AND KARNE, SA) AND MEMBERS OF THE NATIONAL CATTLEMEN'S ASSOCIATION. THE CATTLEMEN EXPRESSED THE FOLLOWING CONCERNS:

A. THAT AUSTRALIAN MEAT MIGHT BE SOLD IN PANAMA'S DOMESTIC MARKET.

B. THAT AUSTRALIAN MEAT HAD BEEN EXPORTED UNDER PANAMA'S 1975 VRP QUOTA AND MIGHT BE EXPORTED UNDER THE 1976 QUOTA.

C. THAT THE POOR CONDITION OF THE AUSTRALIAN BEEF BEING EXPORTED MIGHT DAMAGE PANAMA'S REPUTATION AS A MEAT EXPORTER.

4. AS A RESULT OF THIS MEETING THE FOLLOWING ACTIONS REPORTEDLY ARE BEING TAKEN:

A) THE MEAT PACKING COMPANIES WILL BE REQUIRED TO POST A \$50,000 (FIFTY-THOUSAND) BOND TO DEFRAY DAMAGES CAUSED BY THEIR UTILIZATION OF PANAMA'S MEAT QUOTA TO EXPORT AUSTRALIAN BEEF.

B) THE NATIONAL CATTLEMEN'S ASSOCIATION WILL BE ALLOWED

CONFIDENTIAL

PAGE 03 PANAMA 00860 042306Z

TO PLACE INSPECTORS IN EACH OF THE MEAT PACKING PLANTS APPROVED FOR EXPORT (TWO IN DAVID, ONE IN PANAMA CITY) TO ENSURE THAT AUSTRALIAN BEEF IS BEING PROCESSED INTO STEW BEEF FOR EXPORT OUTSIDE THE QUOTA.

C) CENTRAL AMERICAN BEEF CO. HAS AGREED TO PURCHASE THE REMAINING 2,200 STEERS OF ITS COMMITMENT TO THE CATTLEMEN'S ASSOCIATION BY THE END OF MARCH.

COMMENT: AGRICULTURE MINISTER PAREDES IS REPORTED TO BE EXTREMELY UNHAPPY THAT HE WAS MISLED BY "BETO" GONZALEZ AND HAS DIRECTED GONZALEZ TO "GET THE MEAT OUT OF THE COUNTRY." BECAUSE OF THE CATTLEMEN'S ROLE IN THE RECENT PRIVATE SECTOR CONFRONTATION WITH THE GOP, AND PAREDES ATTEMPTS TO EFFECT A RECONCILIATION WITH THE AGRICULTURAL INTERESTS IN CHIRIQUI PROVINCE, "BETO" GONZALEZ' POSITION AS CONFIDANT OF GENERAL TORRIJOS HAS NOT PROTECTED HIM FROM REPERCUSSIONS.

GONZALEZ

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, TRADE LAW, MEATS, EXPORT CONTROLS, REEXPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PANAMA00860
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760042-1083
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760283/aaaacuwI.tel
Line Count: 126
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 PANAMA 6876, 76 PANAMA 5833
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUL 2004 by MartinML>; APPROVED <21 JUL 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CURRENT STATUS OF AUSTRALIAN BEEF
TAGS: EAGR, ETRD, PN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006